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October 17, 2005

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Federal Communications Commission
Office of Secretary

Via Electronic Delivery

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Notice
IB Docket Nos. 05-220 and 05-221
File No. SAT-PPL-20050926-00184

Dear Ms. Dortch:

On October 14, 2005, Robert H. Brumley, President and Chief Executive Officer of TerreStar Networks, Inc., Jonathan D. Blake, TerreStar's counsel, Henry Goldberg, counsel to Motient, majority owner of TerreStar, and Gregory Staple, counsel for TMI Communications and Company Limited Partnership, met with Don Abelson, Rod Porter, Karl Kensinger and Robert Nelson of the Commission's International Bureau. The discussion addressed Inmarsat's 2 GHz MSS application, filed on September 26, 2005.[1]

The purpose of the meeting was to support the request filed by TMI/TerreStar, filed on October 6, 2005, that the Commission not "accept for filing" the Inmarsat Application. It was pointed out that on Nov. 21, 2000, Inmarsat requested that the Commission dismiss its 1997 2 GHz MSS application and that the Commission had then done so "without prejudice to its [Inmarsat's] seeking authorization ... in a subsequent processing round". See Attachment A. Accordingly, the TMI/TerreStar representatives stated, the Inmarsat Application is too late for the 1997 processing round. They also noted that Inmarsat's filing cannot be considered as part of a second processing round. The Commission has not opened a new processing round, and no determination as to whether there even will be a second

[1] *See* Inmarsat Global Limited, Application for Satellite Space Station Authorizations, File No. SAT-PPL-20050926-00184 (filed Sept. 26, 2005) (the "Inmarsat Application"). The International Bureau has granted a request filed by Inmarsat to designate the Inmarsat Application proceeding as "permit but disclose." *See* Public Notice, DA No. 05-2670 (Oct. 7, 2005) at 3.

processing can be made until the Commission has resolved the issues in IB Docket Nos. 05-220 and 05-221.

It was further pointed out that the mere filing of Inmarsat's 2 GHz application has undermined TMI/TerreStar's position in the financial markets and had raised questions within the United Kingdom and other European countries. Mr. Brumley pointed out that he met last week with officials at Ofcom and the UK Department of Trade and Industries and found them fully supportive of TerreStar's plans for competitive entry into the mobile services market in the UK and Europe. He noted that the European regulators are following this proceeding at the FCC, including the Commission's determination to adhere to its processing round and other processes and procedures. If the Commission now provides access to the 2 GHz spectrum to Inmarsat, it will have a deleterious effect on the European regulator's own determination to adhere to established procedures for licensing of MSS spectrum. Mr. Brumley added that the Commission's taking the further step of "accepting" the application for filing, even though such a step would not address the merits of the application, would exacerbate that destructive effect. That would be particularly unfair because it is obvious that the application is defective as a procedural matter and not tendered in good faith.

Mr. Brumley explained that Inmarsat's 2 GHz business plan consists of "two ifs away from a maybe," *i.e.*, *If* Inmarsat locates a strategic partner, and *if* it develops compatible handset technology, then *maybe* it will enter the MSS/ATC marketplace by 2010. For example, Inmarsat continues to make public statements that a partner from one of "four camps: Existing wireless operators; cable tv companies; direct-to-home satellite providers; and telcos" must materialize before it will even proceed past the first "if." And that would only be the beginning of a long road of contingencies; at any one of these forks in the road Inmarsat may, once again, abandon its 2 GHz plans. In contrast, TMI/TerreStar is years past the "if" stage of development; it *will* deploy the next-generation mobile satellite service by 2008, as evidenced by the substantial capital it has raised, continued milestone compliance, and a well-documented vision for the 2 GHz MSS/ATC service.[2] It would disserve the public for the Commission to withhold adequate spectrum from the 2 GHz authorization holders -- TMI/TerreStar and ICO -- who have satisfied the Commission's milestones and are spending billions of dollars to back up their 2 GHz authorizations issued in the processing

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[2] As previously indicated, TMI/TerreStar will file an application with the Commission seeking authority to provide an ancillary terrestrial component immediately upon meeting the Commission's gating criteria. *See* Letter from Gregory C. Staple, counsel for TMI and Jonathan D. Blake, counsel for TerreStar to Donald Abelson, Chief, International Bureau, at 2 (filed April 19, 2005), *citing Flexibility for Delivery of Communications by Mobile Satellite Service Providers in the 2 GHz Band, the L-Band, and the 1.6/2.4 GHz Bands*, Memorandum Opinion and Order, IB Docket No. 01-185, FCC 05-30, at ¶ 89 (rel. Feb. 25, 2005) ("ATC Reconsideration Order").

round from which Inmarsat subsequently withdrew -- for so iffy an interest as Inmarsat has shown.

Mr. Brumley went on to address the substantive issue of why TMI/TerreStar needs 2x10 MHz in the 2 GHz band in order to achieve its service goals. He highlighted that TMI/TerreStar's strategic goals were to bring MSS/ATC to the mass market, with all the attendant benefits from such scale and scope. He pointed out the following broad base of constituencies which TerreStar seeks to serve:

- The public generally.
- Residents in rural communities or areas in proximity to rural areas where terrestrial service is not available,
- City, state and federal governments,
- First responders,
- The public safety community, and
- The homeland security community,

Mr. Brumley also described the benefits which a 2x10 MHz spectrum assignment will enable in TMI/TerreStar's 2 GHz integrated satellite/terrestrial service:

- *Seamlessness* – Using handsets embedded with innovative TMI/TerreStar chipset technology, users will be able to seamlessly maintain a call when moving from satellite to terrestrial coverage, and vice versa. This satellite/terrestrial "handshake" will happen automatically – the user need never "tell" the handset to switch from one type of connection to another. To TMI/TerreStar's knowledge, Inmarsat has not developed its ATC technology to include this essential feature.
- *Transparency* – The chipset that makes the TMI/TerreStar service seamless can easily be integrated with ordinary, affordable end-user equipment on the market today, whether a conventional cell phone, land mobile radio, or other mass-market device. As a result, the integrated MSS/ATC service will be widely available to consumers throughout the U.S. This is in sharp contrast to the niche legacy MSS service that Inmarsat would bring to the 2 GHz band.
- *Ubiquity* – The TMI/TerreStar service will offer users connectivity anytime and anywhere, even, as noted above, when moving between the satellite and terrestrial coverage areas.
- *Interoperability* – Users will be able to communicate both to other satellite users and more broadly via the Public Switched Telephone Network (PSTN). This feature is critical to homeland security and public safety needs.

- *Emergency Prioritization* – With 2 x 10 MHz, the TMI/TerreStar system will have sufficient spectrum and technology to handle surges in the communications needs of first responders and homeland security end users.

TMI/TerreStar have presented these and other public interest benefits of a 2 x 10 MHz assignment in greater detail in TMI/TerreStar's various filings in the above-captioned proceedings. With anything less than access to 2 x 10 MHz, mobile satellite services will continue in the niche mold that has characterized the service up to now, offering highly specialized, expensive satellite services to a few hundred thousand specifically motivated customers.[3]

Finally, TMI/TerreStar advised the International Bureau representatives that TMI/TerreStar was about to file a report prepared by Dr. Bruce M. Owen addressing competitive issues raised in the Inmarsat Application. The report, which is being filed today under separate cover, demonstrates that a *pro rata* assignment of 2x10 MHz to TMI/TerreStar and ICO would not create a duopoly, as Inmarsat has claimed. Rather, there would be multiple service providers, including MSS providers using frequencies outside the 2 GHz MSS band and terrestrial service providers, that would compete with TMI/TerreStar's and ICO's 2 GHz MSS services. Indeed, Dr. Owen affirms that distribution of surrendered 2 GHz spectrum to TMI/TerreStar and ICO will serve competition in the market for mobile communications services.

Respectfully submitted,

Jonathan D. Blake
Counsel for TerreStar Networks, Inc.

Attachments

cc: Mr. Donald Abelson
Mr. Rod Porter
Mr. Karl Kensinger
Mr. Robert Nelson

[3] *See, e.g.*, Reply Comments of TMI/TerreStar, IB Docket No. 05-220 (filed July 25, 2005); Comments of TMI/TerreStar, IB Docket No. 05-221 (filed July 29, 2005).

PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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Report No. SAT-00061 **Wednesday November 29, 2000**

SATELLITE POLICY BRANCH INFORMATION

Amendments to 2 GHz Mobile Satellite Service Applications and Letters of Intent

The following amendments have been filed pursuant to paragraph 170 in The Establishment of Policies and Service Rules for the Mobile Satellite Service in the 2 GHz Band, IB Docket No. 99-81, FCC 00-302 (released August 25, 2000). Upon initial review, these amendments have been found to be acceptable for filing. The Commission reserves the right to return any of the applications if, upon further examination, it is determined the application is not in conformance with the Commission's rules or its policies.

SAT-AMD-20001103-00152 S2319 CONSTELLATION COMMUNICATIONS HOLDINGS, INC.

Amendment

Constellation Communications Holdings, Inc. has filed an amendment to its pending application to launch and operate a low earth orbit satellite system in the 2 GHz frequency bands allocated to the Mobile-Satellite Service. See File Nos. 181-SAT-P/LA-97(46), IBFS No. SAT-LOA-19970926-00148 and SAT-AMD-19991230-00134.

SAT-AMD-20001103-00153 S2139 CELSAT AMERICA, INC.

Amendment

Celsat America, Inc. has filed an amendment to its pending application to launch and operate a geostationary 2 GHz Mobile-Satellite Service system. See Application File Nos. 26/27/28-DSS-P-94, IBFS File Nos. SAT-A/O-19940408-00016/17/18; File No. 36-SAT-AMEND-95, IBFS File No. SAT-AMD-19941125-00089; File Nos. 65/66/67-SAT-AMEND-96, IBFS File Nos. SAT-AMD-19960124-00007/8/9; File No. 192-SAT-AMEND-97, IBFS File No. SAT-AMD-19970925-00124; and File No. 88-SAT-AMEND-98, IBFS File No. SAT-AMD-19980113-00009.

SAT-AMD-20001103-00154 S2320 GLOBALSTAR, L.P.

Amendment

Globalstar, L.P. has filed an amendment to its pending application to launch and operate a satellite system to provide *Mobile-Satellite* Service in the 2 GHz frequency bands. See File Nos. 182-SAT-P/LA-97(64) and 183 through 186-SAT-P/LA-97; IBFS File Nos. SAT-LOA-19970926-00156 and SAT-LOA-19970926-00054/53/52/51.

SAT-AMD-20001103-00155 LOI-ICO ICO SERVICES LIMITED

Amendment

ICO Services Limited has filed an amendment to its pending letter of intent to access 2 GHz frequency bands at 1990-2025/2165-2200 MHz. See File No. 188-SAT-LOI-97, IBFS File No. SAT-LOI-19970926-00163.

SAT-AMD-20001103-00156 S2325 IRIDIUM LLC
Amendment

Iridium LLC has filed an amendment to its pending application for authority to launch and operate a new non-geostationary orbit satellite system in the 2 GHz frequency bands. See File No. 187-SAT-P/LA-97(96), IBFS File No. SAT-LOA-19970926-00147.

SAT-AMD-20001103-00157 S2318 MOBILE COMMUNICATIONS HOLDINGS, INC. (d/b/a ELLIPSO)
Amendment

Mobile Communications Holdings, Inc. has filed an amendment to its pending application to launch and operate an elliptical low earth orbit Mobile-Satellite Service system in the 2 GHz frequency bands. See File No. 180-SAT-P/LA-97(26), IBFS File No. SAT-LOA-19970926-00150.

SAT-AMD-20001103-00158 LOI-TMI TMI COMMUNICATIONS AND COMPANY, LIMITED PARTNERSHIP
Amendment

TMI Communications and Company, Limited Partnership has filed an amendment to its letter of intent to provide mobile satellite service to the United States in the 2 GHz frequency bands. See File No. 189-SAT-LOI-97; IBFS No. SAT-LOI-19970926-00161.

SAT-AMD-20001103-00159 S2317 THE BOEING COMPANY
Amendment

The Boeing Company has filed an amendment to its pending application to launch and operate a non-geosynchronous Medium Earth Orbit satellite system in the 2 GHz frequency bands. See File No. 179-SAT-P/LA-97(16); IBFS File No. SAT-LOA-19970926-00149 and File No. 90-SAT-AMEND-98(20); IBFS File No. SAT-AMD-19980318-00021.

INFORMATIVE

SAT-LOI-19970924-00098 LOI-INM INMARSAT HORIZONS

Original File No. 190-SAT-LOI-97

On November 21, 2000, Inmarsat filed a letter requesting that the Commission dismiss, without prejudice, its pending letter of intent to provide mobile satellite service to the United States in the 2 GHz frequency bands.

This Notice confirms that Inmarsat's Letter of Intent has been dismissed without prejudice to its seeking authorization to provide 2 GHz Mobile-Satellite Service in a subsequent processing round.

Pursuant to Public Notice, Report No. SPB-132 (released July 29, 1998), the applications and letters of intent filed in the 2 GHz Mobile Satellite Service proceeding have been treated on a non-restricted, permit-but-disclose basis for ex parte purposes. The applications and letters of intent, as amended here, will continue to be treated on a non-restricted, permit-but-disclose basis for ex parte purposes. 47 CFR §§ 1.1200(a), 1.1206 and 1.1208, Note 2.

Comments may be filed on or before December 14, 2000. Replies may be filed on or before December 26, 2000.

For more information concerning this Notice, contact Kathleen Campbell at 202-418-0753 or Howard Griboff at 202-418-0657; TTY 202-418-2555.

World Summit for Satellite Financing, Global Operators Panel
September 6, 2005

Moderator: Ok, Also on these famous ATCs- auxiliary terrestrial components. Those are things you need to make a L-band mobile service in places like the United States work pretty much everywhere, and you said you don't want to go into that market because it would be a hell of a cap ex investment. You need a partner, a mobile cellular operator in the US or someone else. Can you give us an idea where you are with that and how likely it will be we are going to see an announcement from Inmarsat on that in the next 6 months?

Sukawaty: This is a very confusing topic and it is very hard to address it very shortly. But I'm going to address it in a very short few words. First word of warning is, let's hope ATC doesn't turn into another LEO. Where you've got huge investment going after delivery satellite to consumers or white collar workers globally. Satellite doesn't work for that, and people that make investment based on that I think, will be making a big mistake.

Having said that, ATC is a very solid opportunity. You enhance your satellite coverage on the ground with terrestrial transmitters and receivers. We think that opens up a world of opportunity to a mobile satellite operator. We've been talking to a variety of different players. I'll talk generically, I'm not going to talk about any specific deals. They fall into four camps. Existing wireless operators; cable TV companies; direct-to-home satellite providers; and telcos. All four of those are interested for different reasons in putting money into these types of networks, I think a satellite operator who builds a terrestrial network in a country the size of the U.S. would be stepping outside its bounds.

Moderator: Any idea just by order of magnitude of what it would cost to populate the U.S. with ATC's?

Sukawaty: I can tell you in one case I ran Sprint/PCS for 4 yrs when we built our network and I think when I left we had spent right around $11 billion in cap ex.

Moderator: And what did that get you?

Sukawaty: About 55% of the geography of the United States. It's a big player game - terrestrial networks.